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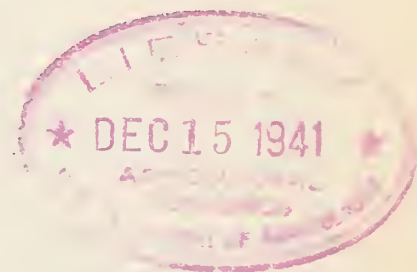
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Marketing Activities



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LET'S LOOK AT PRICE CEILINGS

By John B. Shepard Page 3

Price ceilings may be all right, but farmers also need headroom in order to do their best work. The ceilings have to be placed properly or the farmer is likely to bump his head when he really gets down to the business of producing a lot of food. Shepard, who has been writing crop reports for the Department of Agriculture for 20 years, lists a few things to remember.

RUN, SHEEP, RUN

By C. L. Harlan Page 7

Mr. Harlan will tell you that counting sheep, at least the way he does it, is not guaranteed to put you to sleep. He is a livestock statistician for the Agricultural Marketing Service—a professional sheep counter to you.

HAVE SOME POPCORN

By Joe Ewing Page 9

We have always liked popcorn, but we never knew that it had all the romantic possibilities Mr. Ewing sees in it. Now we are wondering how he, an Agricultural Marketing Service statistician, found out about all of those things.

WHEN UNFAIR BECMES ILLEGAL

By Frank W. Miller Page 15

Some market practices are as open and above board as a Sunday School picnic. But others are as questionable as a Japanese peace conference. Dr. Miller, who heads up ork under the Packers and Stockyards Act, tells how the Agricultural Marketing Service goes about drawing a line between the two extreme.

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LET'S TALK ABOUT PRICE CEILINGS

By John B. Shepard

Most of us can remember the rapid increase in prices of all commodities during the World War period. And those of us who like to make comparisons can see a marked similarity in the trend of prices then and now. This similarity tends to worry us, for we are afraid of inflation--an inflation that might add greatly to the cost of the armament program and to our economic woes after the emergency is over. So we are inclined to look with favor on the general principle of a ceiling for prices--and that includes ceilings for prices of farm products.

But when it comes to ceilings for prices of farm commodities, we can see that careful planning is going to be required--that many difficult problems will need to be solved. Many of these problems are fundamental to the Food-for-Freedom Program, others to the health of the Nation, and still others to the economic well-being of a large segment of our farmers. Thus, it might be well to consider these problems now--before a control mechanism has been put in operation.

Let's begin by raising a few questions as to basic aims. For example, should we set ceilings at levels high enough to hold men on small, submarginal farms that cannot support an American standard of living in ordinary times? Should we set our ceilings at levels so high that there will be an expansion of our agricultural plant far beyond our usual needs, or should we meet the situation in part by allowing increased imports and by encouraging a temporary shift to cheaper foods? Should we fit controlled prices to probable supplies and use price control to regulate production, or should we design price control measures solely to prevent inflation on the assumption that arbitrary prices will not interfere unduly with the production and marketing of the food we need? These and other general questions, now that the country is definitely in the war, ought to be thought through carefully before price ceilings are applied.

Questions of Administration Involved

A number of specific questions can be raised, too, with regard to actual administration. To illustrate, should we endeavor to fix prices at central markets or all the way down the line--from the wheat sold by the farmer to the loaf of bread purchased in the grocery store? If we fix the prices of certain basic and standardized products on some basis, such as "corn, number 2, yellow, December delivery, Chicago" and "potatoes, U.S. No. 1, Maine Green Mountains, November delivery, carlots, New York," how far should we go in determining comparable ceilings or price differentials for other grades or varieties, other markets, other methods of sale, or other delivery months?

Quality differentials would be important for some products. If there were no differentials for quality, corn might be marketed while

still of high moisture content, beans might be less carefully cleaned, and small potatoes might be sacked with the big ones. If the ceiling on choice beef were placed too low in comparison with the price of medium steers and the price of the corn required to fatten them, there might be very little choice beef produced. But if price differentials were made too large, some low-grade products normally sold to low-income consumers might not be marketed at all.

The fixing of proper variety differentials would require the utmost skill. If beans were just "beans," then farmers might grow the kinds that give the best yields--supplies of pintos, blackeyes, and California pinks might increase and the higher-priced varieties might be grown to a decreasing extent. If a ceiling price were placed on "apples" in each market, then northwestern boxed apples might bring no more than local apples on eastern markets. Still, a mass of detail would be involved in establishing price ceilings for each variety, each grade, each size, each form of container, and each kind of storage, while at the same time keeping prices adjusted for seasonal changes in each variety and for changing market conditions.

Regional Differentials Must Be Placed Cautiously

Regional prices normally follow rather definite patterns, but vary seasonally from year to year with local supply and demand conditions, so differentials will need to be placed with caution. If the ceiling on beef is no higher in Boston than in Chicago, Bostonians may have the choice of buying their beef in Chicago and paying the freight--or of sticking to codfish and beans. Regional differences are often too interwoven with differences in quality to be easily unscrambled. Quite complete records have been collected on the relative prices of standard grades of some products sold on the markets. And there are also records of average prices paid to farmers for the products being sold in the various States. But there has been little interest in obtaining records needed to solve the hypothetical problem of what the regional differences in prices would be if all areas sold the same varieties and qualities at the same time.

Quantity or method-of-sale differentials might not be needed in all cases, but if there were a ceiling on prices to farmers, there might be a demand for some limitation on the margins allowed to country buyers and to wholesale and retail dealers. These margins might need to be adjusted to local conditions because costs of assembling vary considerably with the size and uniformity of the lots purchased. Distributing costs also vary with the services rendered and with the credit extended.

Proper seasonal differentials are most important and would not be easy to establish. Thus, if growers could get parity prices for their potatoes in November and could expect no more for them the next spring, too few potatoes might be stored over winter. Anything that shakes the confidence of producers of any perishable food product in obtaining the

usual extra price for out-of-season production might disturb the smooth flow of products from the farm to the market.

Problems of enforcement must be given special consideration. For example, if the maximum price is fixed only for live hogs, more farmers might dress their hogs and sell the meat. If only the price of fresh pork were fixed, some packers might sell only processed hams, bacon, or sausage. If the fixing of wholesale and retail prices of hogs, pork, hams, lard, pork chops, and spare ribs were carried beyond the degree of control supported by local public opinion, "bootlegging" might develop. Control of food prices, such as is now enforced in England, might be difficult here unless the whole population from top to bottom should become profoundly stirred by losses and defeats abroad and realize that there is no easy way to win a war.

Frequent Changes Visioned

Even though price control measures were designed with the greatest of care, frequent changes and alterations in the program could hardly be avoided. If prices of some farm products, such as butterfat, meat, and cottonseed were based on a parity calculation, and prices of salad oils, fish, and other products did not rise and fall with parity, the various prices would soon be out of balance. Furthermore, there are some costs, such as freight rates and import duties, that are relatively stable, so that, as prices change, the various products and the various producing sections are unequally affected. Thus, if prices rose and freight rates were fixed, the prices of many bulky farm products might rise sharply in areas far from market and increase by only a small percentage in populous areas.

In considering the demand for changes, allowance should also be made for constant pressure from interested groups. If some groups were able to secure special concessions, there might be innumerable demands for such treatment. Since there are bound to be injustices under any system of fixed prices, there would need to be a careful determination of the merits of each complaint.

Price control is feasible, but it will require a whole lot of clear thinking.

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FARM PRODUCT PRICES DECLINE FOUR POINTS IN MID-NOVEMBER

The general level of prices received by farmers for agricultural commodities on November 15 showed a decline of 4 points from a month earlier. The decline was the first since the price upswing began last April, but the index, at 135 percent of the August 1909-July 1914 average, was still 36 points above that of a year ago.

HENDRICKSON DISCUSSES MARKETING AND ITS ROLE IN MODERN ECONOMY

In a recent communication to marketing leaders, Roy F. Hendrickson, Director of Marketing and Chief of the Surplus Marketing Administration, discussed the aims of marketing programs and their relation to present-day economy.

"The goal of marketing programs is to see that the maximum quantity of agricultural commodities flows from producer to consumer in the most socially efficient way," Hendrickson said. "That need has never been more important to our economy than now."

The Director explained that the added task of providing food for defense will spotlight the imperfections in the machinery of distribution. "Beyond that," he stated, "a nation composed of well-nourished, well-clothed, well-housed citizens can more easily defend its way of life."

Forecasting the future role of marketing, Hendrickson stated, "Finally, when we return to times of peace, the distribution of products of the soil will make it a lasting peace or a peace of rearmament. Food and fiber on the farm cannot win a war or write a peace, but the right quantities of the right food and fiber properly distributed can. On the agricultural marketing process and program, events have placed these responsibilities."

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NEW YORK EXCHANGE DESIGNATED AS A POTATO CONTRACT MARKET

The Department of Agriculture recently issued an order designating the New York Mercantile Exchange as a contract market for potatoes. The Exchange is already a licensed market for futures trading in butter and eggs. The only other contract market on which futures trading in potatoes is conducted is the Chicago Mercantile Exchange.

The order designating the New York Mercantile Exchange as a contract market for potatoes was issued on the application of the Exchange, and upon a showing that it had complied with the necessary statutory provisions.

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The Department of Agriculture announced recently that the Commodity Credit Corporation will make available a loan and purchase program for the 1941 crops of Burley, fire-cured, dark air-cured, sun-cured, Maryland, cigar filler, and binder tobacco. In addition, purchases of a maximum of 500,000 pounds of dark fire-cured and dark air-cured tobacco of the 1939 crop are authorized on a cost basis.

RUN, SHEEP, RUN

By C. L. Harlan

Insomnia sufferers are gradually swinging over to an entirely new method of sheep counting; they are adding up soldiers and multiplying by 26. This short-cut system has become popular following a War Department report that the wool from 26 sheep--about 200 pounds of it--is required to outfit a soldier with the overcoats, jackets, pants, underwear, socks, and hats needed during his first year of service.

A soldier doesn't actually require that much wool in issued clothing, but it takes that much to outfit him initially, to build up a proper reserve, and to take care of replacements. Keeping a soldier supplied with woolen clothing is something like supplying a house with water. The pipes must be full so that when water is needed--even just a cupful--it is there ready and waiting. After a soldier is once outfitted, it requires only about 75 pounds of wool a year for replacements.

A soldier's equipment depends largely upon the location to which he is sent, his duties, and the supplies available. A ski-trooper, for example, would require special items, such as fur-lined parkas and sweaters, to supplement his regular equipment. On the other hand, a soldier assigned to duty in the tropics would need little if any woolen clothing.

312 Million Pounds of Wool Used by Army

For the million and a half men in uniform it required 312 million pounds of wool, or about a third of the quantity being used in the United States this year. Despite this heavy Army consumption, and the increased civilian consumption brought about through increased incomes, no wool shortage is in sight at the present time.

American production is fairly stable. If more apparel wool is needed, it comes largely through imports from South America, New Zealand, Australia, and South Africa. During the few years prior to 1940, the United States produced about 435 million pounds of apparel wool a year. Imports of apparel wool during these years averaged about 85 million pounds.

But this year the United States has heavily increased needs, and probably will have a record consumption of more than twice the domestic production. The difference in what was needed this year and what was produced--about 500 million pounds--was imported. During the first 9 months of 1941, imports for consumption totaled about 491 million pounds, compared with 133 million during the first 9 months of 1940. The import figures for this year do not include a considerable quantity of Australian wool imported for British account and subsequently taken over by an agency of the U. S. Government.

All of these figures are in terms of apparel wool. The other type, a much coarser product called carpet wool, is wholly imported.

TEXAS SEED LAW AIMED AT PROTECTING FARMERS

The new Texas seed law, passed by the 47th Legislature, will help eliminate one of the hazards of farming--questionable seed--according to J. E. McDonald, State Commissioner of Agriculture. The new law requires that all seed offered for sale for planting or sowing must be tagged, giving the common name, germination percentage, purity, and other information.

The new Texas law is very similar to the Federal Seed Act, administered by the Agricultural Marketing Service. This similarity makes for more efficient enforcement of seed regulations by both the Federal and State agencies.

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COMMODITY EXCHANGES ASKED TO CUT LIMITS ON DAILY PRICE FLUCTUATIONS

As a protective measure against price disturbances from wartime developments, the Department of Agriculture has asked supervised commodity exchanges to cut their daily price fluctuation limits on futures transactions in grain and cotton to about half their present levels.

The grain futures markets have been requested to make reduction of their daily fluctuation limits to 5 cents per bushel for all grains except soybeans and flaxseed, the requested limit of which is 6 cents. The previous daily fluctuation limits were 10 cents per bushel for wheat, rye, barley, and flaxseed; 8 cents for corn and soybeans; and 6 cents for oats.

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1942 MARKETING QUOTA FOR PEANUTS IS 627,900 TONS

A 1942 peanut marketing quota of 627,900 tons was announced recently by the Department of Agriculture. This applies only to peanuts harvested for the edible trade. On the basis of this quota, next year's acreage allotment will be 1,610,000 acres, or the same as that for the 1941 crop.

--V--

If the fat globules in a quart of Guernsey milk were laid end to end, they would form an invisible thread of beads 5,860 miles long. The thread would be 20 miles shorter, however, if the fat globules from Holstein milk were used, reports of research workers at Kansas State College indicate.

HAVE SOME POPCORN

By Joe Ewing

Dad, what makes popcorn pop?

Uh huh.

Hey, Dad, quit reading for a minute, will you? What makes popcorn pop?

Did you say popcorn? Why don't you round up the new popper and fix some? Put a lot of butter on it and make enough for Mother, too. She loves it.

O. K. Dad, but what makes. . . .

Oh, yes, you want to know what makes popcorn pop. Now let's see

. . . .

- - - - -

Junior has his dad in a tough spot so let's help the old boy out. Actually the problem is simple, being merely a matter of steam pressure. There is moisture in the kernel, and when the kernel is heated this moisture turns to steam. The pressure finally becomes strong enough to explode the shell--and there you are. If popcorn has a moisture content of about 15 percent, it is in its best popping condition.

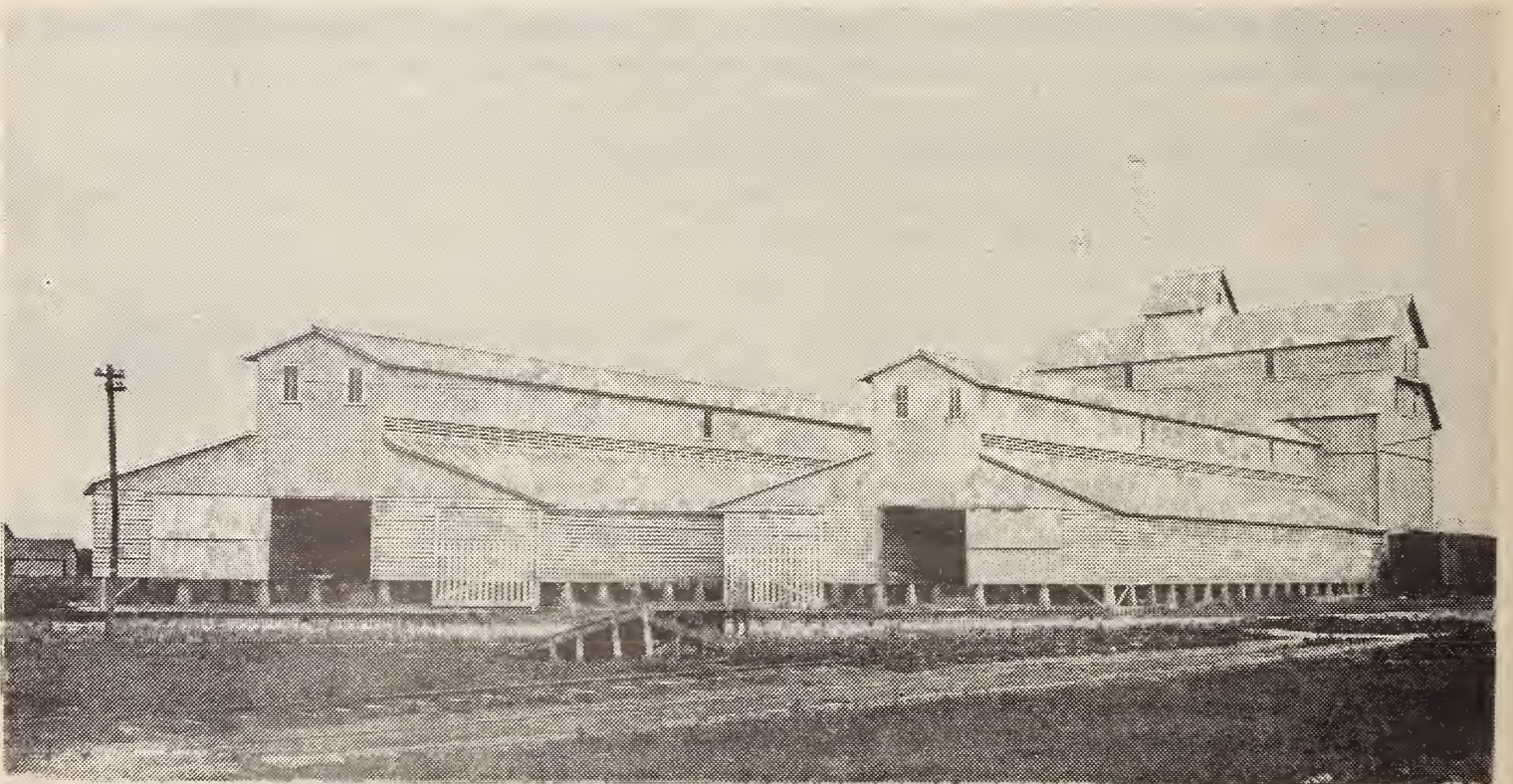
The difference between popcorn and the kind horses eat is in the type of starch each contains. Ordinary field or dent corn is composed mostly of white starch that doesn't pop. But popcorn contains a lot of the dark starch--hard starch that has "poppability." If you're botanically inclined, the technical name for dent corn is Zea mays indenta. The scientific handle for popcorn is Zea mays everta, the everta being Latin for "turned inside out."

Just who discovered that popcorn would turn inside out when heated, nobody knows. But we can speculate on the matter. Let's suppose that an Indian of a far-off day has spilled some popcorn kernels in his campfire. He hides in fright behind a tree as explosion follows explosion. Then, breathing a prayer to Manitou, he creeps back, his curiosity overcoming his fear. Tentatively he tastes one of the fluffy white grains, a look of satisfaction spreading over his coppery face. Finally, he upends a whole basket of kernels on the fire and stamps about in joy as the air is filled with flying white popcorn. A new food has been invented.

This theory may not be authentic, of course, but we do know that popcorn has a history that goes far back into the distant past. Long before Columbus set sail for America, the natives of Mexico and Central and South America considered popcorn ideal for munching while they watched



Harvesting popcorn by hand is a hard job, especially if small-eared varieties are grown. This mechanical picker, in use on an Iowa farm, makes the work easier.



These Nebraska storage houses will hold about 4,000,000 pounds of popcorn. Care in storing popcorn makes for a better market product.

their tribal dances. And the Aztecs found it decorative for their rituals. Just before dawn, it is said, maidens sallied forth "crowned with garlands of maize, toasted and popped, the grains of which resembled orange blossoms." Popcorn undoubtedly helped these original aboriginal Americans to pass a sociable evening, too.

The place popcorn occupied in the lives of the Indians has a parallel in our own lives and customs. We eat popcorn while we watch baseball and football games, and no county fair would be a success without it. The flaky white kernels are still used for decorations--remember the long strings of popcorn you sometimes hung on the Christmas tree? Nor can the social implications of popcorn be forgotten. Many a question has been--and will be--popped over a big bowl of popcorn.

Most of our annual supply of popcorn is grown in the Corn Belt, naturally enough. A close relative to "dent" or "field" corn, popcorn can be grown in every State. Iowa leads in production, about half of the State's crop being grown in Sac and Ida counties. Illinois and Ohio are big producers, and Michigan, Indiana, and Kansas harvest rather large acreages. Nebraska, Kentucky, Texas, and California raise some. Figures are not yet available on the 1941 crop, but about 42,000 acres were harvested in the United States in 1940.

In the Corn Belt, farmers grow large fields of it--just as they do dent corn. It's grown on the same type of soil and is planted and cultivated in much the same manner. Harvesting is a tedious job, especially if the small-eared varieties are grown and hand labor is used for the harvesting. But where popcorn is grown on a large scale, most of the harvesting is done with a mechanical picker.

An average yield is about 1,500 pounds per acre, though Iowa has produced a ton per acre in favorable seasons. Some hybrid varieties have yielded as much as 3,000 pounds.

Hybrids Have Uniformity

These hybrids have good quality, too. They have a fine flavor and texture and a high popping volume, some hybrids increasing from 25 to 30 times in size when popped. Another advantage is kernels that are as much alike as twins, a feature that makes for a uniform market product.

There are a lot of varieties--between 40 and 50 of them in all colors and sizes. Some are red, some white, some blue. Others are black or yellow. But popcorn, whatever the color of the kernel, looks a whole lot alike after it is popped.

Production, even though it gives us a heap of good eating, is quite small when compared with dent or field corn. It's important enough, however, for the U. S. Department of Agriculture to make a report on the commercial crop. The 1940 production in the important producing States

was over 57 million pounds, a rather short crop compared with the 79 million pounds produced in 1939. The commercial production largely supplies the cities, but there are hundreds of acres grown mainly for home use--some in every State. It takes only a few rows in the garden to supply the needs of the farmer, and he generally has enough left over to give some away.

Prices commercial popcorn growers receive for their crop depends largely upon supply and demand, though these factors are influenced somewhat by the quality of the corn. Last year Iowa farmers received \$1.10 per hundred pounds of corn "in the ear" (and don't mistake this trade talk for a joke). In Ohio, where less is grown and that fairly close to good markets, the price last year was \$1.40 per hundred.

"Poppability" Influences Sales

Quite a lot of popcorn is bought on the basis of "poppability" nowadays. The prospective buyer measures out a known quantity of popcorn and pops it. Then he figures out how much it has expanded in size or volume. He considers he has found a good batch if it has increased in size from 20 to 25 times. He doesn't want any "old maids" left in the bottom of the popper, either. Nobody knows for sure just how the expression "old maids" originated. But the term is rather appropriate, because the "old maids," like the old maids, are left to the last--or are just left.

Fewer "old maids" are left if a good popper is used. A very serviceable type, made of screen wire, is nice for popping corn over an open fire. Another, with solid sides and a top with holes to let out the steam, is well suited for popping the corn in butter, cooking fat, or vegetable oil. The electric type is the latest. All you have to do is put in some butter, fat, or oil, add the corn, and turn on the switch. The popper needn't be shaken, because you can tell when the batch is done by looking through the glass window in the top.

Don't forget that popcorn is a healthful product. It has about the same food value as other corn, and contains many of the vitamins. It has a little vitamin A, quite a bit of B, a very little C and D, and some E. The fiber of the hull contains some roughage, too. These characteristics have been taken into account by the Surplus Marketing Administration in its Food-For-Freedom Program. To date, 50 long tons of popcorn have been purchased by the Administration under authority of the Lend-Lease Act.

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The soybean grower and the cotton farmer are joining hands, so to speak, to put a safety hat on defense and other workers. Heavy cotton cloth is being treated with a soybean material to make plastic helmets. Of course, these plastic helmets won't turn a bullet like a metal helmet. But tests by the U. S. Department of Agriculture indicate they're all right, say, for men working in mines and on construction jobs.

ARMY BUYS PROCESSED FOODS DIRECTLY FROM CANNING PLANTS

Quartermaster buying of canned goods has been extended to include contracts negotiated directly with canners at their plants as a means of extending the Army purchases to a greater number of processing plants, the War Department announced recently.

Assisted by Agricultural Marketing Service inspectors, the officers handling procurement have negotiated contracts, and have obtained on-the-spot inspection of the goods to be delivered under the contracts.

The new plan, under which a portion of the Army's needs is being obtained, makes it possible for the canner to know that his goods meet Army specifications before he contracts for delivery. To date, initial buying under the plan has proved satisfactory both to suppliers and to the Quartermaster Corps.

Most of the Army's canned vegetable purchases are handled through the Chicago Quartermaster Depot.

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NOVELIST DISCUSSES MARKETING PROBLEMS

Just suppose for a minute that you had a chance to listen to some ideas on marketing from a man who had been "all over"--a man who had been through the Alaska gold rush and the oil fields in their hectic days, who had written several best sellers, and who had had his own moving picture company. You would probably put everything aside to hear him, for you would say to yourself, "Why should he be interested in agricultural marketing?"

You can't listen to him, but you can read his ideas in the last four or five chapters of his latest book. It is "Personal Exposures," by Rex Beach.

--Cy Briggs

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FARM EMPLOYMENT HITS LOW LEVEL IN NOVEMBER

The Department of Agriculture reported recently that 10,420,000 persons were employed in agriculture on November 1, a much more than seasonal decline of 1,112,000 workers from the number on October 1, and nearly half a million below the total for November 1, 1940. Numbers of both family and hired workers were at the lowest November level in a series of estimates that goes back to 1925.

USDA ANNOUNCES LEND-LEASE
FOOD TRANSFERS TO OCTOBER 1

The U. S. Department of Agriculture announced recently that nearly 1,650,000,000 pounds of agricultural commodities were delivered to representatives of the British Government for shipment under provisions of the Lend-Lease Act, from the beginning of operations in April up to October 1. Total cost of the commodities was nearly \$200,000,000.

Animal protein products made up the most important groups of commodities in the shipments. These include cheese, dried milk, evaporated milk, eggs, pork, and lard. Other commodities made available to the British included fruits and vegetables, grain and cereal products, fats and oils, other foodstuffs, and nonfoodstuffs, such as cotton, tobacco, and naval stores.

Commenting on the report of agricultural lend-lease shipments, Roy F. Hendrickson, Administrator of the Surplus Marketing Administration, which makes the purchases, said: "We expect to report the commodities turned over to Great Britain under lend-lease during October. This will show an increase in the operations. We have agreed to provide a substantial part of England's food needs, and we expect to continue making available large quantities of the essential commodities."

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BOSTON FINANCE COMMISSION
LAUDS FEDERAL INSPECTION

After a review of complaints that Federal food inspectors have been unwarrantedly harsh to firms that deliver meats to city institutions on contract, the Boston Finance Commission recently expressed the opinion that Federal inspection is reliable and trustworthy, and on the whole, safer for the city than any other yet devised.

The Commission recommended that in those instances where the vendor and the Federal inspector are in disagreement, the Department of Agriculture be asked to provide a review of the inspector's decision by a Federal inspector from another district, whenever the city's agent believes such a review is warranted.

In a report to Mayor Tobin, the Commission said the complaint had been followed by a demand from counsel of one of the aggrieved contractors that the city abandon inspection by agents of the U. S. Department of Agriculture and substitute inspection by regular employees of the city, inspection that was abandoned in 1931.

At that time the Commission revealed that vendors were frequently being paid a higher price for meat than was justifiable, even if the highest quality had been received; yet, the city often got only low quality.

WHEN UNFAIR BECOMES ILLEGAL

By Frank W. Miller

If little Johnny raids the cookie jar, that's bad; but we understand and forgive. If he throws a rock through a neighbor's window, we are worried and decide to speak to him about it. But if, perchance, he lies and cheats, then things look black indeed, and Johnny is in for a spanking.

And so it is with men in the world of business. Under the stress of competition they may and do resort at times to practices that all reasonable men call unfair. But if they stray too far from the beaten path and carry on unfair practices, they too are in for a spanking--in a legal sense, of course.

An unfair practice in the marketing of meat, livestock, and poultry is not defined by the Packers and Stockyards Act. But the act recognizes that such practices are unlawful and directs the Secretary of Agriculture to take appropriate corrective action. So through the years there has come into being a series of what amounts to administrative definitions. Some of these definitions can be illustrated by actual cases taken from the records of the Agricultural Marketing Service. They really happened.

Funny Business in the Meat Industry

A dozen large packers were selling meats in some of our Southern States, and, as far as anybody knew, the competition was keen and fair. But after awhile a few local packers and jobbers complained that the large packers were dividing up the trade area and were fixing prices among themselves. The local packers and jobbers pointed out that this practice was eliminating them from the picture, in addition to making the consumer pay more than a fair price. An investigation to get the real facts took almost a year. Hundreds of people were interviewed, and thousands of sales slips were collected and examined. Finally there was a hearing. The record of the testimony covered more than 25,000 typewritten pages. There were bales of exhibits.

Now a packer who is found guilty under the Packers and Stockyards Act can be handled in only one way. He can be told to "cease and desist." If he doesn't, then he can be fined or put in jail, if, after trial in Federal Court, the jury decides he is guilty. In this case, the Secretary of Agriculture found that 12 meat packers were combining to divide up the trade areas and were fixing prices. He ordered them to "cease and desist"--and they did.

Let's take the case of a fellow at one of the larger markets--a man who made his living by locating good feeder cattle for his acquaintances back in the country. They paid him something for his time and trouble and things went along very satisfactorily for a time. But what happened? The man found that his "customers" wanted some feeders, so he,

as the saying goes, "contacted" a commission man and they made a deal. The commission man bought the feeder cattle on the market for, say, \$8 a hundred. He made up bills, added 35 cents a hundred to the price, plus a commission of \$15 a car. In brief, the commission man, in addition to the commission, reported to the folks for whom he bought the cattle that they cost 35 cents per hundred more than they did. The farmers back in the country paid the bills as rendered, not knowing what had happened and the two men divided the spoils. Well, the commission firm was suspended for a year, and finally went out of business. An innocent member of the firm suffered for it, but he made good to the farmers. He sent them the amount of the overcharges they had paid.

A Case of Forged Scale Tickets

Then there was the case of the dealers who forged scale tickets at one of the large stockyards. These dealers obtained a supply of blank tickets and proceeded to fill them out as though the livestock had been weighed, when, in fact, it hadn't. They even went to the trouble of imprinting a weight on the tickets to make it appear that a type registering beam had been used. The job of counterfeiting was so well done that the buyer accepted the tickets and bills based on them and paid without question.

Now a scale ticket is an important piece of paper at a stockyard. At terminal markets the deal between the seller and buyer is purely word of mouth. It is not until the livestock gets to the scales that the first written record appears, and that record is the scale ticket. At this particular market the ticket is even used as a check by which the seller collects his money from the buyer. The ticket, in other words, is a negotiable paper.

In this particular case there was no definite evidence that the buyer was dissatisfied with his treatment, although he certainly didn't get quite as much weight as he paid for. But whether he was satisfied or not, tampering with vital papers in such a way just couldn't be tolerated. Had it been, the whole fabric of record integrity would have been destroyed. So the registration of these dealers was suspended for a year.

"Weighing up" a Troublesome Practice

The practice of "weighing up" livestock is peculiar and troublesome. A farmer sends his livestock to a commission man to be sold on a commission basis. The commission man, although an agent, buys the livestock himself--sometimes without saying anything to the owner about it. In other words, he "weighs it up" to himself, charges his usual selling commission, and resells the livestock.

Commission men at large terminal markets years ago, by their own rules, forbade "weighing up." But in other places, especially in some

eastern markets, it was a more or less general practice, because, according to some commission men, there is some justification for handling livestock deals in this way. The regular buyers in the market may be bearish--may be bidding too low. The commission man, to protect his customer, he says, "weighs it up" at a price he thinks is right.

But sometimes he sells the livestock for more than he "weighed it up" at. How about that? The commission man, of course, has a plausible answer. He missed his guess on the value, the market got better, a new buyer showed up, etc., etc. Now the law says that in accounting to the shipper the commission man must show the true name of the buyer. But, peculiarly enough, some accounts to shippers do not show the true name on "weighed up" livestock. This is suspicious in itself, because, if the commission man, as he says, is doing a good turn for his patron, he should have nothing to hide. At other times he resells at a loss and then the question of a possible rebate arises.

In the auction market, a new but growing phase of the livestock marketing picture, there is another kind of "weighing up." For example, the auctioneer or owner of the business may start the bid, as most of them do, but nobody raises it. What to do? Well, most of the markets consider themselves responsible and they take title to the livestock. They "weigh it up" at the starting bid.

All in all it is a tough problem, for much depends on the good faith of the parties. Suppose we prohibit the practice altogether, and allow no more "weighing up" anywhere at any time. This would work considerable hardship at times, especially at smaller markets, where the outlet may sometimes be limited. Then, too, producers in a hurry for their money are one of the common causes for "weigh ups." So the problem has been handled in this way: No consigned livestock is to be "weighed up" until it has been put on the market and every effort made to sell it. In other words, no speculating in consigned livestock. Then, if it can't be sold at a fair price, and with consent of the owner, is "weighed up," the full facts are to be reported in accounting to the owner. Any consistent "weighing up" by an agency may be viewed with suspicion and an explanation required. No "weighing up" to dummies or employees of the agency. In other words, the practice is on trial. If it works more to the detriment of the producer than to his benefit, ways and means to correct the situation will have to be found--even if it means stopping the practice altogether.

Other Practices Declared Unfair

There are, of course, practices of other kinds that have been declared unfair. Boycotts, failure to account correctly, misuse of shippers' money, overcharges and undercharges, "feeling" truckers to get business, misrepresentations of market prices or conditions, failure to pay for livestock or live poultry, collusion among buyers and sellers, are some of them. Some are of such a nature that warnings are about all that are

required to effect a cure. Others require hearings and orders to cease and desist, or suspension of registrations and licenses.

All in all, trade practice regulation is no easy task. To differentiate among the many kinds of practices requires careful sifting of the wheat from the chaff. But, as the Supreme Court of the United States said about one livestock case, "That duty undoubtedly may be an onerous one, but the performance of it in a substantial manner is inseparable from the exercise of the important authority conferred."

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FURTHER CONTROL OF SPECULATION IN SOYBEANS NEEDED, CEA REPORTS

In a special report recently released by the Department of Agriculture, J. M. Mehl, Chief of the Commodity Exchange Administration, said that a recent survey of futures trading in soybeans indicates the need for further control of speculative activity in this commodity.

"The erratic price movement, the large volume of trading, and the size of aggregate open contracts during the current year, together with a special analysis of these contracts as of September 15, all point to excessive futures speculation in soybeans," the report states.

"Further and more effective measures should be taken to control futures speculation in this commodity. Increased margin requirements, together with some form of restriction on excessive in-and-out trading or 'scalping,' are clearly indicated."

The report disclosed no evidence of abnormally large positions held by individual speculators on either side of the market. Existing legislation, the report points out, is effective in curbing manipulation and excessive speculation on the part of large operators, but is not effective in controlling undesirable market participation by small traders or scalpers.

--V--

The English have discovered sweetcorn.

An Associated Press report says that an English farmer grew one and a half acres of sweet corn this year, corn that went on sale at 15 cents an ear. One writer explained the "new" product this way: "Corn is a favorite food in America....It is regarded as a great delicacy. The ear is boiled for 15 minutes and served like a potato in its jacket. The leaves are removed, butter is spread over the ear, and pepper and salt is sprinkled on. Then, holding the ear at the ends, you nibble the corn off like a rabbit."

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F. V. WAUGH APPOINTED ASSISTANT
DIRECTOR OF MARKETING FOR USDA

The appointment of Dr. Frederick V. Waugh as Assistant Director of Marketing was recently announced by the Department of Agriculture. Dr. Waugh will be associated with Roy F. Hendrickson, Director of Marketing for the Department and Administrator of the Surplus Marketing Administration.

During recent years, Dr. Waugh has been Chief of the Division of Marketing and Transportation Research of the Bureau of Agricultural Economics. He has made comprehensive studies of a wide variety of marketing problems, and has helped develop several programs for improving the distribution of farm products. Some of the programs Waugh has helped work out are the Stamp Plan and several other means of making surplus foods and clothing available to low-income families, the elimination of interstate trade barriers, and the modernization of city produce markets.

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USDA ANNOUNCES
1941 YEARBOOK

Climate and Man, the 1941 Yearbook of Agriculture published early in December, is the sixth in a series of yearly volumes started in 1936, each of which has covered a broad field of agricultural science. A major feature of the 1200-page volume is a compilation of weather records--State by State and county by county--probably the most complete weather record ever made available for ready reference by farmers in all parts of the country.

Preceding the reference section on local weather records are several articles giving comprehensive information on the new weather science developed in the last 20 years, which gives some promise of developing in the direction of long-range forecasting, and has already led to longer-range forecasting than was possible before the development of the science of air mass analysis. Forecasters are now able to make predictions for 5 to 7 days that are approximately as reliable as the 2- or 3-day forecasts previously had been, and the reliability of 2- and 3-day forecasts has improved materially.

Copies of the Yearbook are available from the Superintendent of Documents, Government Printing Office, at \$1.75 each.

Only four out of every hundred low-income farm people are in first-rate physical condition, the U. S. Department of Agriculture reports.

DON'T TRUST "TAME" BULLS,
FLORIDA DAIRY EXPERT WARNS

The most dangerous of domesticated animals is the "tame" bull. Dr. Raymond Becker, Florida State Experiment Station dairy husbandman, has been stressing this idea for years.

All bulls are dangerous, he says, but a bull that has been raised as a pet, and, to all appearances, is almost as gentle as a lamb, is likely to turn into a wild fury at the slightest provocation. Folks have a tendency to be cautious around a strange bull or one that is obviously dangerous, but they often make the mistake of considering a so-called "tame" bull as a docile, gentle animal. Thus they expose themselves to danger.

Dairy bulls are more dangerous than those of the beef breeds, because they are quicker. "Quick as a goat on their feet," is the way Dr. Becker puts it. And a "tame" bull standing nearby may turn on his master in a flash and gore him.

Here's Dr. Becker's advice to farmers: Keep the bull in a strong pen. If he has to be moved, use a bull staff through the ring in his nose to lead him. Don't allow the bull to run with the cows; this necessitates separating him from the herd twice daily--a difficult and highly dangerous operation at times. And never go into a bull pen without a weapon of some sort--something that will keep the bull from attacking.

--V--

THORNLESS BLACKBERRY
DEVELOPED IN ENGLAND

Florists Exchange reports that the John Innes Institute at Merton, Surrey, England, has for years been breeding blackberries with a view to developing a truly thornless variety of commercial value. At the Royal Horticultural Society meeting in September, the Institute showed a variety named Merton Thornless, the result of a cross between Rubus rusticans inermis and R. thyrsiger. Completely thornless, the new blackberry is an amazingly free cropper with large fruits of superb quality. How hardy this new blackberry will prove under American conditions has yet to be proved, but without doubt stock will in due course reach experiment stations in the United States.

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War supplies of smokeless powder for big guns, anti-aircraft shells, and army rifles may be made from staple cotton instead of cotton linters, as a result of research by the U. S. Department of Agriculture. The linters, short fuzzy fibers removed from cotton seed after the ginning process, are particularly adapted to nitrating for powder, but the demand for this purpose is far beyond the supply.

-PERTAINING TO MARKETING-

The following reports and publications, issued recently, may be obtained upon request from:

The Agricultural Marketing Service:

American-Egyptian Cotton Quality and Ginning . . . By Arvid J. Johnson, James S. Townsend, and Thomas C. Walton

Color Stability in Raw Cotton . . . By Dorothy Nickerson

Suggested Outline for Specifications for Purchasing Processed Fruits and Vegetables . . . By Paul M. Williams

Annual Report on Tobacco Statistics, 1941 . . . By Charles E. Gage and J. V. Morrow

Monthly Sales of Principal Field Crops, 1940 Crop with Comparisons, by Leading Marketing States

Quality of the 1941 Crops of Wheat, Barley, Oats, Rye, and Grain Sorghums (Summary Report Based on Inspected Receipts at Representative Markets from July through October 1941)

Stocks of Leaf Tobacco Owned by Dealers and Manufacturers, October 1, 1941

U. S. Standards for Grades of Canned Grapefruit Juice, Effective December 15, 1941

Preliminary Review of the California 1941 Grape Season . . . By J. A. Hunter

Northwest Apples, 1940-41 . . . By L. B. Gerry

The Bureau of Agricultural Economics:

The School Lunch Program and Agricultural Surplus Disposal. . .
By H. M. Southworth and M. I. Klayman

The New Jersey State Department of Agriculture:

Marketing Sweet Potatoes in New Jersey and Competing Areas. . .
By John M. Fenton

The Missouri State Department of Agriculture:

The Missouri Apple Merchandising Act. . . By Henry H. Baker

